

Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 OES-05 PRS-01 FEA-01 ACDA-10 CIAE-00

INR-07 IO-11 L-03 NSAE-00 NSC-05 EB-07 NRC-07 DODE-00

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FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI PRIORITY

AMCONSUL BOMBAY PRIORITY

INFO AMCONSUL CALCUTTA

AMCONSUL MADRAS

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E.O. 11652: N/A

TAGS:PFOR, ENRG, TECH, IN, US

SUBJECT: CONTINGENCY PRESS GUIDANCE

1. FOLLOWING CONTINGENCY PRESS GUIDANCE HAS BEEN PROVIDED TO DEPARTMENT SPOKESMAN. EMBASSY/BOMBAY MAY ALSO USE THIS GUIDANCE IN RESPONDING TO QUESTIONS.

2. Q: WHAT IS HAPPENING REGARDING THE HOLD-UP ON LICENSING OF ENRICHED URANIUM SHIPMENTS FOR THE TARAPUR REACTORS?

A: THE DEPARTMENT OF STATE BELIEVES THAT THE SUPPLY OF THIS ENRICHED URANIUM TO THE TARAPUR REACTORS REPRESENTS A COMMITMENT BY THE USG WHICH SHOULD BE FULFILLED. THE UNCLASSIFIED

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CONCERNED EXECUTIVE BRANCH AGENCIES, AFTER THOROUGH REVIEW

OF THE LICENSE APPLICATION UNDER PROCEDURES ESTABLISHED BY A RECENTLY ISSUED EXECUTIVE ORDER, HAVE DETERMINED THAT ITS ISSUANCE WOULD NOT BE INIMICAL TO THE COMMON DEFENSE AND SECURITY AND HAVE RECOMMENDED TO THE NUCLEAR REGULATORY COMMISSION THAT IT BE ISSUED. THE NRC ISSUED A SIMILAR LICENSE IN SEPTEMBER AFTER AN INTENSIVE EXAMINATION OF THE ISSUES.

BY THE WAY OF BACKGROUND, THE ENRICHED URANIUM IS BEING PROVIDED AS FUEL FOR TWO NUCLEAR POWER REACTORS AT TROMBAY BUILT IN THE LATE 1960'S WITH AN AID LOAN. IN ACCORDANCE WITH THE PROVISIONS OF THE 1963 BILATERAL COOPERATION AGREEMENT ON TARAPUR, THE AEC CONTRACTED TO BE THE EXCLUSIVE SUPPLIER OF FUEL FOR A 20 YEAR PERIOD. THE TARAPUR REACTORS ARE FULLY COVERED BY IAEA SAFEGUARDS.

Q: WHAT IS THE IMPLICATION OF THE REQUEST FOR INTERVENTION NOW PENDING BEFORE THE NRC?

A: THAT IS A QUESTION, FOR THE MOMENT, RESTING LARGELY WITH THE NRC. THE ROLE OF THE EXECUTIVE BRANCH IS CURRENTLY UNDER CONSIDERATION.

Q: WHAT ABOUT THE CONCERNS EXPRESSED IN THE PETITION, NAMELY THAT THE EXPORT WOULD VIOLATE OUR OBLIGATIONS UNDER THE NPT AND THAT THE ENRICHED URANIUM MAY BE DIVERTED INTO INDIAN NUCLEAR EXPLOSIVE DEVICES?

A: THE USG IS SATISFIED THAT THE SHIPMENTS OF ENRICHED URANIUM TO TARAPUR ARE CONSISTENT WITH OUR LONG-STANDING POLICY OF EXPORTING NUCLEAR MATERIALS FOR PEACEFUL PURPOSES ONLY AND FULLY MEETS OUR OBLIGATIONS UNDER THE NPT, INCLUDING OUR COMMITMENT NOT TO CONTRIBUTE TO THE DEVELOPMENT OF ANY NUCLEAR EXPLOSIVE CAPABILITY.

THIS ISSUE WAS SQUARELY ADDRESSED WITH REGARD TO THE SUPPLY OF ENRICHED URANIUM TO TARAPUR AFTER THE INDIANS EXPLODED THEIR NUCLEAR DEVICE IN MAY 1974. AT THAT TIME, THE AEC TOLD THE INDIANS WE WOULD BE UNABLE TO UNCLASSIFIED

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PROCEED WITH FURTHER SHIPMENTS UNLESS WE RECEIVED FULLY SATISFACTORY ASSURANCE THAT NUCLEAR MATERIAL SUPPLIED TO OR PRODUCED IN TARAPUR WOULD NOT BE USED FOR ANY PURPOSE OTHER THAN FUELING THE TARAPUR REACTOR WITHOUT U.S. APPROVAL. IT WAS ONLY AFTER THE ATOMIC ENERGY COMMISSION SATISFIED ITSELF ON THIS SCORE BY DISCUSSIONS WITH THE INDIANS AND AN EXCHANGE OF LETTERS WITH THE INDIAN AEC THAT EXPORTS TO TARAPUR WERE RESUMED. WE

ARE SATISFIED THAT U.S. SUPPLIED MATERIAL IS ADEQUATELY
SAFEGUARDED AND IS BEING USED IN A WAY WHICH IS
CONSISTENT WITH OUR NON-PROLIFERATION POLICIES.

Q: GIVEN THE CURRENT STATE OF INDO-U.S. RELATIONS, HOW
DO WE KNOW THE INDIAN PROMISES TO US WILL BE CARRIED OUT?

A: IF ANY NUCLEAR MATERIAL FOR TARAPUR WERE DIVERTED TO
OTHER USES WITHOUT OUR PRIOR APPROVAL, WE WOULD KNOW

THIS VERY QUICKLY. ANY SUCH ACTION BY THE INDIANS WOULD,
OF COURSE, JEOPARDIZE CONTINUED NUCLEAR COOPERATION AS WELL
AS HAVE OTHER ADVERSE IMPACTS ON OUR RELATIONS.

Q: IS IT CORRECT TO RELATE THE DELAY IN LICENSING TO THE
CURRENT BAD STATE OF INDO-U.S. RELATIONS?

A: ABSOLUTELY NOT. THE EXECUTIVE BRANCH OF THE USG HAS
RECOMMENDED APPROVAL OF THESE SHIPMENTS TO TARAPUR. KISSINGER

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